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Folio:

Sal Marino on innovation . . . page 64

JULY 1, 1992 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.50

A WINNER BACK IN PLAY AGAIN

Outstanding editorial, sound marketing and die-hard readers all converged to bring *Games* back from the dead–and make a successful publisher of a catalog merchandiser. Says one member of the relaunch team (*left*), "It's proof of the value of really connecting with readers." 49

STAYING ON TRACK AFTER A SALE

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Little magazine meets big printer **65**

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DUFFY SPEAKS...

They say every dog has his day.
Well, today's my day.

You've probably seen me before. I've graced the many ads and promotional materials for Doubleday List Marketing. I've worn silly hats, funny glasses and 10-pound army helmets. I've even gone flying in a spaceship. I've done it all. But up until now, no one has had the chance to hear what I really think about Doubleday List Marketing.

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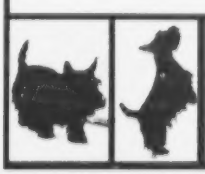

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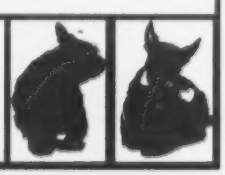

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Rising circulation costs bedevil publishers

By Susan Hovey

Circulation, circulation. As publishers scurry to offset lower advertising revenues, the clamor for greater circulation profitability grows louder by the day. And with it, the realization that some new thinking is required.

"Circulation economics are not exactly in great shape, either," notes John Klingel, vice president of development for Time Publishing Ventures. "For every dollar you lose in advertising, you need a lot more to make up for in circulation."

Klingel points out that between 1980 and 1989, the average monthly magazine tracked by the Audit Bureau of Circulations raised its subscription price by only 7 percent. (That figure does not include the Time Inc. titles, which hiked their prices by 85 percent while lowering rate bases.) At the same time, circulation profit margins dropped from 54 to 50 percent, as the volume of direct mail doubled and spending tripled.

> If your first inclination is to raise prices, think again.

So what's a publisher to do? If your first inclination is to raise prices to solve the problem, think again, cautions consultant Robert Cohen. "It's often counterproductive to boost price," he contends. "What matters is efficiency."

Cohen believes publishers could benefit most by focusing on renewals. "It's the most neglected area of circulation. Anything we can do to get that marginal 1 to 2 percent lift is essential."

One tactic he encourages his clients to take is to convert subscribers at the introductory price, instead of automatically stepping them up—the idea being that the cheaper price is still preferable to having to acquire a

(CONTINUED ON NEXT PAGE)

Ad execs proffer advice on boosting share

By Alan E. Sanderfoot

Trade publishers, besieged by direct mail and cable television in the battle for ad dollars, need to do a better job leveraging their two unique assets—a knowledgeable editorial department and access to markets represented by circulation, according to several prominent national advertisers.

Their recommendations came at the Business Publications Audit of Circulation annual meeting in Chicago in May after the presentation of a media survey examining multi-faceted competition that specialized business publications face.

The survey—sent to 316 major national advertisers—was intended to determine current and future levels of print advertising and compare them to spending patterns for other types of promotion.

Of 103 respondents, 55 percent indicated they plan to spend more on direct mail during the coming year. About 45 percent said they plan to set aside more dollars for manufacturers' salespeople, and 43 percent intend to give more cash to cable television. This comes at a time when 60 percent of the business-to-business advertisers and 39 percent of the consumer advertisers reported a decrease in print ad expenditures over the past two years.

About 53 percent of the survey respondents said they would increase their print advertising over the next two to three years. This increase, however, is most likely to come from an overall increase in the total advertising and promotion budget; it will *not* come from a change in the proportion of the total budget slated *for* print advertising. General Electric's manager of corporate marketing communications, Richard Costello, offered a vivid anecdote supporting the statistical findings. When GE launched a campaign targeted to the U.S.-based automobile industry six years ago, 80 percent of the promotion budget was

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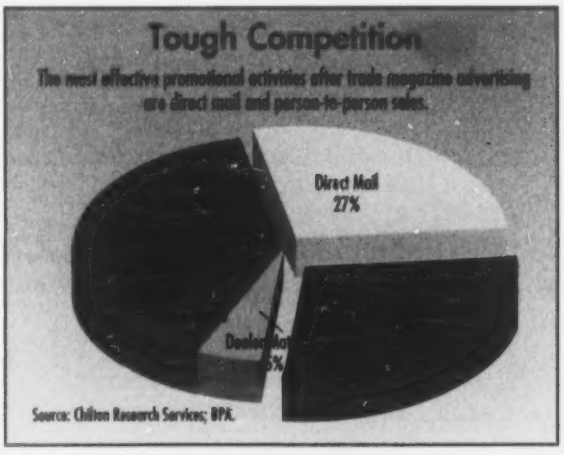
Tough Competition
The most effective promotional activities after trade magazine advertising are direct mail and person-to-person sales.
Direct Mail
27%
Source: Chilton Research Services; BPA.

More than half the respondents in a survey say they'll increase their spending on direct mail.

Advertisers advise publishers on boosting ad share

(CONTINUED FROM PAGE 19)

going to trade and technical publications, he said. Today, that number has declined to 28 percent.

Be a 'cheerleader'

What can trade magazines do to maintain or boost market share? And what do advertisers want? At IBM, the company looks beyond cost per thousand and pays closer attention to added-value services, says James Reilly, general manager for marketing services and communications. "You don't need big ideas, just good ideas," he says. Other things IBM looks for are good ad position, favorable editorial, ancillary programs (such as selective binding and ink-jetting) and event sponsorship.

Stephen Rutledge, vice president of advertising for Kraft General Foods, Inc., argues that "print has suffered from its inability to show what print can do." He recommends that trade magazines, with their unmatched editorial knowledge, help agencies create ads that use language appropriate for the readers. He also suggests that magazines be "cheerleaders" for the economic recovery. "Until people hear how things are getting better, they won't act as if they are," he reasons.

Asked to rank the importance of 18 added-value services on a scale of one to 10, survey respondents gave only five mean scores of six or higher: supply copies of editorials and ad reprints (6.57); conduct publication sponsored market/readership studies (6.44); perform traditional reader-inquiry services (6.21); make available mailing lists from magazine circulation (6.41); and conduct custom research (6). Interestingly, the last two of these "most important" services have been used by less than half of the advertisers responding to the survey. Nevertheless, they are two that advertisers said they'd be most willing to pay for.

> 'Print has suffered from its inability to show what print can do.'

'Print is outdated'

Meanwhile, a majority of the respondents said that the following services were not appropriate for a publisher to offer: rental of booth space at trade shows (75 percent); telemarketing (70 percent); qualifying sales leads from inquiries (59 percent); producing custom newsletters (54 percent); or providing fulfillment for 800-number inquiries (52 percent).

Finally, despite the advantages of print, several advertisers encourage trade magazine publishers to explore other types of media. Publishers need to look harder at video, cable, computer networks, fax and other electronic media, they insist. Declares Costello: "Print is outdated." ■

Some people just hate answering questions on the phone, but...

WE HAVE WAYS TO MAKE THEM SMILE

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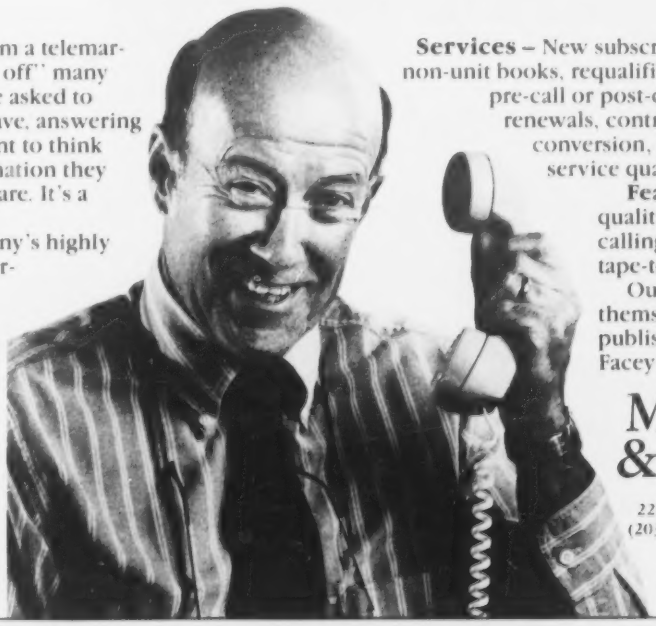

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Neglected children

By Samir A. Husni

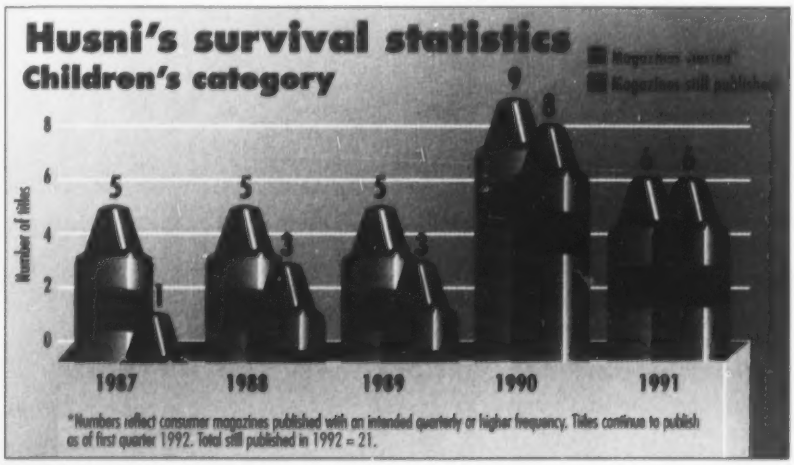
"The children's market has been neglected for a long time," says Tommi Lewis, editor of *Disney Adventures*, the two-year-old start-up from W.D. Publications, Inc. Twenty years ago, says Lewis, children's magazines barely had a presence on the newsstand, as publishers felt it was more effective to reach its audience through school plans.

But my data show that since 1985, over 50 new kids' titles—ranging from one-shots to monthlies—have hit the newsstands. That seems to bear out Lewis's contention that a better-educated generation of baby-boomers place a higher value on reading when it comes to their kids, and are willing to spend on magazines.

Although the survival rate for children's magazines is higher than that for the average publication, not all new kids' titles enjoy the same measure of success. Even such a savvy and well-heeled media company like MTV Network flopped when it tried to introduce *Nickelodeon*, a print companion to its kid-TV channel. The venture lasted one issue before being folded. It's back on the drawing board and may be relaunched in March 1993.

Is there room for more children's magazines? Lewis says "yes" and offers her advice for a new start-up: "Try to write up. Kids like to emulate an older age," she says. But while the magazine's attitude must be slightly "hipper-than-thou," editors can't get too far ahead of their audience. "Kids must feel a sense of ownership in the magazine," she cautions. And to further complicate the equation, editors must also recognize who is paying: "Make sure that the magazine will get the parent's seal of approval." ■

Samir Husni heads the Magazine Service Journalism Program at the U. of Mississippi and is editor of Samir Husni's Guide to New Consumer Magazines *published by* FOLIO:.



New Magazines

Heart Disease and Stroke

The American Heart Association introduced its sixth medical journal, *Heart Disease and Stroke*, taglined A Journal for Primary Care Physicians. The magazine made its debut with a January/February issue and is published bimonthly. It is distributed on a controlled basis to 60,000 internists, general practitioners and family-practice physicians who treat patients with heart and vascular diseases. In addition, all AHA Scientific Council members receive membership copies of the journal. Editorial includes developments in prevention and reviews of new techniques, as well as indications for procedures, diagnostic tests and treatment. Editor J. Willis Hurst, M.D., says the AHA understands that timeliness is crucial: "We want to provide [our readers] with accurate information because their role in prevention is critical." A sub-

SOHO DESIGN